

## County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration 500 West Temple Street, Room 713, Los Angeles, California 90012 (213) 974-1101 http://ceo.lacounty.gov

> Board of Supervisors GLORIA MOLINA First District

YVONNE B. BURKE Second District

ZEV YAROSLAVSKY Third District

DON KNABE Fourth District

MICHAEL D. ANTONOVICH Fifth District

To:

August 8, 2008

Supervisor Yvonne B. Burke, Chair

Supervisor Gloria Molina Supervisor Zev Yaroslavsky Supervisor Don Knabe

Supervisor Michael D. Antonovich

From:

William T Fujioka

Chief Executive Officer

WA PM

MOTION TO SUPPORT THE UNITED STATES-COLOMBIA TRADE PROMOTION AGREEMENT (ITEM NO. 2, AGENDA OF AUGUST 12, 2008)

Item No. 2 on the August 12, 2008 Agenda is a motion by Supervisor Antonovich to support the United States-Colombia Trade Promotion Agreement (CTPA).

## **CTPA Background**

The United States (U.S.) is currently Colombia's leading trading partner while Colombia accounts for less than one percent of U.S. trade. In 2007, the Los Angeles Customs District accounted for roughly \$162 million of the \$8.56 billion in total U.S. exports to Colombia. More than 90 percent of goods from Colombia currently enter the U.S. tariff-free, but more than 90 percent of U.S. exports to Colombia are subject to duties as high as 35 percent.

The CTPA, which was signed on November 22, 2006, would eliminate tariffs and other trade barriers between the two countries. More than 80 percent of all U.S. exports of consumer and industrial goods would become duty-free immediately with remaining tariffs phased out over ten years. Duties on many agricultural products, including high-quality beef, apples, pears, peaches, cherries, cotton, and wheat, also would be eliminated. In addition, the CTPA would require both countries to effectively enforce their own domestic labor and environmental laws.

Each Supervisor August 8, 2008 Page 2

The main proponents of the CTPA are the business community, including the National Association of Manufacturers, which believes that the trade agreement would increase the export of U.S. goods to Colombia by eliminating tariffs and other trade barriers. As indicated in the preamble to the motion, many state and local government organizations and officials also support the CTPA, including the United States Conference of Mayors and Council of State Governments. The strongest opposition to the CTPA comes from organized labor, including the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), which opposes any trade agreement with Colombia until the country meets an established set of human rights benchmarks. The AFL-CIO has expressed opposition to the agreement citing an inadequate response by the Colombian government to violence against trade unions and unionists and inadequate labor standards.

## **Status of Implementing Legislation**

On April 8, 2008, the Bush Administration submitted implementing legislation (H.R. 5724) for the CTPA, which would require Congress to hold an up-and-down vote on its ratification within 90 legislative days under "fast track" Trade Promotion Authority Act procedures. However, two days later, the House voted, 224 to 195, largely along party lines, to adopt a House resolution (H. Res. 1092), initiated by House Speaker Pelosi, which suspended the fast-track procedures. The suspension of the fast track procedures means that Congress can amend the implementing legislation to require the agreement to be renegotiated with the Colombian government. It also allows Congress to not take any action on H.R. 5724. To date, neither the House nor Senate has scheduled any action on the bill.

There are not any existing Board policies relating to the CTPA. Therefore, a position on the CTPA is a matter for Board policy determination.

WTF:GK MAL:MT:lm

c: Executive Officer, Board of Supervisors County Counsel